ALASKA STATE LEGISLATURE

HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 30, 2021 8:02 a.m.

MEMBERS PRESENT

Representative Sara Hannan, Co-Chair Representative Calvin Schrage, Co-Chair Representative Harriet Drummond Representative Mike Prax Representative Ken McCarty Representative Kevin McCabe

MEMBERS ABSENT

Representative Josiah Patkotak, Vice Chair

COMMITTEE CALENDAR

HOUSE BILL NO. 22

"An Act relating to shared animal ownership; and relating to the sharing and sale of raw milk and raw milk products."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 22

SHORT TITLE: SHARED ANIMAL AND RAW MILK/PRODUCTS

SPONSOR(s): REPRESENTATIVE(s) TARR

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	CRA, RES
03/30/21	(H)	CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

REPRESENTATIVE GERAN TARR

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 22 via a shared PowerPoint presentation.

SUZY CROSBY

Cottonwood Creek Farm

Wasilla, Alaska

POSITION STATEMENT: Testified during the hearing on HB 22 via a shared PowerPoint presentation.

AMY SEITZ, Executive Director

Alaska Farm Bureau

Soldotna, Alaska

POSITION STATEMENT: Offered a shared PowerPoint presentation during the hearing on HB 22.

AMY PETTIT, Executive Director

Alaska Farmland Trust

Palmer, Alaska

POSITION STATEMENT: Gave a shared PowerPoint presentation during the hearing on HB 22.

MARLENE WENGER

Kenny Lake, Alaska

POSITION STATEMENT: Testified in support of HB 22.

TERRY SNYDER

Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 22.

CIANA THOMAS

No address provided

POSITION STATEMENT: Testified in support of HB 22.

LARAE SMITH

Willow, Alaska

POSITION STATEMENT: Testified in support of HB 22.

MILENA SEVIGNY

Wasilla, Alaska

POSITION STATEMENT: Testified in support of HB 22.

ARTHUR GRISWOLD

Golden Heart Dairy

Delta Junction, Alaska

POSITION STATEMENT: Testified in support of HB 22.

ASHLEY EBENAL, Owner

Little Patch of Heaven Farm

Fox, Alaska

POSITION STATEMENT: Testified in support of HB 22.

TARA LUCAS

Kupreanof, Alaska

POSITION STATEMENT: Testified in support of HB 22.

GINA JOHNSON Kodiak, Alaska

POSITION STATEMENT: Testify in support of HB 22.

ROBERT GERLACH, DVM, State Veterinarian Office of the State Veterinarian Division of Environmental Health Department of Environmental Conservation Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 22.

ACTION NARRATIVE

8:02:39 AM

CO-CHAIR SARA HANNAN called the House Community and Regional Affairs Standing Committee meeting to order at 8:02 a.m. Representatives Drummond, McCarty, McCabe, Schrage, and Hannan were present at the call to order.

HB 22-SHARED ANIMAL AND RAW MILK/PRODUCTS

8:03:43 AM

CO-CHAIR HANNAN announced that the only order of business would be HOUSE BILL NO. 22, "An Act relating to shared animal ownership; and relating to the sharing and sale of raw milk and raw milk products."

8:04:16 AM

REPRESENTATIVE GERAN TARR, Alaska State Legislature, as prime sponsor, presented HB 22 with a shared PowerPoint presentation. She showed slide 2, which illustrates Alaska's food insecurity, with 95 percent of food imported from outside the state. Alaska can produce more; 67 percent of farmers surveyed by the Division of Agriculture would produce more if they had more market options. The slide mentions a \$5 challenge, and Representative Tarr said upcoming speakers would address that topic. While showing slide 3, she noted that at the time of statehood, 1959, Alaska had 525 farms and was producing about 49 percent of its agricultural product. She said the state has a strong history of dairy farming, dating back to about 1867, for example, Juneau

has a road named "Old Dairy [Road]" where dairy farms used to exist. Currently there are only two dairy farms in Alaska. She explained that dairy operations, and farming in general, are intensive in terms of the capital required for a startup. The proposed legislation seeks to allow dairy farmers to start small and, if they choose, to increase in size up to becoming a full grade A dairy.

8:07:40 AM

REPRESENTATIVE TARR turned to slides 5-7 to illustrate that the share program addressed under HB 22 is allowed Regulation 18 AAC 32.010 requires and а contractual relationship. Each individual that participates becomes owner of one of the animals, which allows them access to the fluid milk product. The proposed regulation would put the herd share program into statute, which gives it a permanency which is important to those considering investment. She noted that currently a dairy is allowed to share only the fluid milk product, and some people are not interested in that product but would be interested in ice cream or butter or yoqurt or cheese. Further, she pointed out that sometimes animals produce more fluid milk than customers need; the proposed legislation would allow the dairies to make other products with the excess, all through the herd share program. She noted that a copy of a contractual agreement was available in the committee packet, and she indicated that it involves "informed consumer choice."

8:09:59 AM

REPRESENTATIVE TARR, in response to Co-Chair Hannan, explained that "grade A dairy" is a U.S. Department of Agriculture (USDA) certification required for sale of milk products in retail outlets. She remarked that the herd share program is geared toward a smaller operation. In response to a follow-up question, she said she is not aware of any other operational dairies beside the two listed on slide 4: The Havemeister Dairy in Palmer and the Baptist Mission Heritage Farm in Kodiak. She added, "There are a couple others that are trying to scale up and become operational."

8:11:52 AM

REPRESENTATIVE TARR, in response to a question from Co-Chair Schrage, said she does not know the exact number of herd share participants but there are a number of operations. She noted

dozens of letters of support have been submitted from participants throughout the state.

8:13:03 AM

REPRESENTATIVE TARR, in response to a question from Representative McCabe regarding the history of pasteurization, explained that people used to live close to their milk source, but when farming became rural, milk had to be transported. Because this change occurred "pre-refrigeration," the product became unsafe. The response was the requirement pasteurization. She said in herd shares, people are involved in the health of their animals. She indicated that the issue of raw milk [going bad] occurs very infrequently.

8:15:42 AM

SUZY CROSBY, Cottonwood Creek Farm, continued the PowerPoint presentation started by the bill sponsor. A photo of goats shows on slide 9. Slide 10 lists the following reasons for goat raising: ease of handling; digestibility of goat milk; minimal infrastructure; simple cleanup; and goats are the "missing link" between pets and livestock. Slide 11 explains the reason for a herd share is that goats: can help "pay their way"; connect consumers with producers; satisfy the need for "loca-vores" to consume food grown locally; provide the freedom of choice; and provide food security. Ms. Crosby showed a photo of empty retail grocery chill shelves during the pandemic, on slide 12, and then contrasted that with the photo on slide 13 of the full shelves of chilled product at her farm during the same time period.

MS. CROSBY talked about what herd share is and is not, which is shown on slides 13 and 14. Herd share is: legal in Alaska under regulation; currently restricted to fluid milk only, which HB 22 seeks to expand; sustainable through community supported agriculture (CSA); and requires a commitment and monthly herd share maintenance fee. Ms. Crosby explained the fee goes toward the care and feeding of the animals and affords the herd share member a share of the milk produced by those animals. She emphasized the importance of "knowing your farmer." A herd share is not: the grocery store but is a weekly commitment; making cheese or other products yet, but HB 22 seeks to change that. She said HB 22 would allow value-added products within the definition of the herd share relationship.

8:20:02 AM

MS. CROSBY directed attention to slides 15-17, which address safety and sanitation. She emphasized the importance of a clean milking location, washing hands, and using a pre-milking antibacterial spray. She said Cottonwood Creek Farm does milk by machine but does a "final service" by hand and uses a postmilking "dip" that keep the goats' udders clean and free from bacterial infection. Once the goats are milked, she imparted, hand washing is again emphasized. She talked about a "sharp dividing line between poop and food." She said the milk is filtered and put into chilled containers and rapidly chilled in ice buckets in the refrigerator, then to the shelves in the refrigerator, and then out to the customer. Ms. Crosby noted that the milk is clearly marked such that if there ever is a problem, the farm can determine on which day and from which goat the milk originated. She indicated the importance of educating the shareholders. She said the returned jars are run through the dishwasher at the farm before being filled again. The next few slides Ms. Crosby showed were photos of products she made, including queso fresco, feta with sundried tomatoes, and chevre.

MS. CROSBY concluded with slide 21, which lists the following benefits that would be brought under HB 22 to consumers, as follows [original punctuation provided]:

- Freedom to make food choices without restriction
- Having a variety of dairy options besides milk
- Access to digestible products for those intolerant to commercial dairy
- Many consumers prefer ready-made vs. DIY
- Growing preference for unique locally made/artisan food

MS. CROSBY then noted the benefits to producers, which read on slide 22 as follows [original punctuation provided]:

- Allows for best usage of seasonal surplus milk
- Farmer can buy more hay per gallon of milk (goats eat even during their dry period!)
- Specialty products would still be available in winter even when fluid milk production drops

MS. CROSBY displayed slide 23, which lists how HB 22 would offer benefits overall, as follows [original punctuation provided]:

- Help strengthen Alaska's fragile food system
- Help prevent food waste

• Expand Alaskan agriculture by offering a new business opportunity for farmers

MS. CROSBY concluded by asking the committee to "please, free the cheese!" by supporting HB 22.

8:25:11 AM

REPRESENTATIVE MCCABE began a line of questioning by professing that he is not adverse to [HB 22] and is "a huge fan of anything that helps our farmers move past the excessive regulations."

MS. CROSBY responded to Representative McCabe's questions. She said her farm got its first goats in 2000 and its first herd share participant in 2003. In that time there have been no reported illnesses from anyone drinking the farm's goat milk. As to whether doing away with the requirement that milk [sold in retail stores] must be pasteurized, she said she wonders whether there would be restrictions imposed on raw milk sales, and she indicated that such restrictions "wouldn't help herd share at She said goats produce milk regularly and herd share participants pick up the milk on a schedule, unlike a grocery store, where people buy milk or not with no schedule. the consistency is helpful to her farm. She added that she would want to study regulations of raw milk before forming an In further response to Representative McCabe, she expressed willingness to talk outside of the meeting regarding New Hampshire's raw milk regulations, as well as those in Maine, Utah, North Dakota, and Wyoming. She noted that there have been no surges in illness since raw milk has been allowed.

8:29:51 AM

AMY SEITZ, Executive Director, Alaska Farm Bureau, offered historical background on the Alaska Farm Bureau, which is the largest organization for agriculture in Alaska, as well as nationally, the purpose of which is to improve the agricultural well-being and expansion of agriculture, as well as to enrich the quality of life for all Alaskans. She emphasized the grass roots of the bureau. She began her portion of the ongoing PowerPoint presentation [slides 26-33], turning to slide 27, which shows two graphics. One states that the number of Alaska farms grew 30 percent over the past five years. The other graphic states that the value of food sold directly to consumers increased from \$2.2 million in 2012 to \$4.5 million in 2017. She talked about the challenges unique to Alaska and stated, "So, it's important to have policies in place that can foster

the growth and expand access to local food options, and HB 22 is one way we do this."

8:33:00 AM

MS. SEITZ brought attention to slide 28, regarding food security. She pointed out that Alaskans spend roughly \$2 billion on food annually; 95 percent of purchased food is imported; and Alaskans are at the mercy of the weather and the shipping systems when it comes to the availability of food. As shown on slide 29, she pointed out that if every Alaskan spent \$5 a week on Alaska grown food, the impact would be \$188 million. She said a challenge is in play that encourages every Alaskan to do so.

MS. SEITZ directed attention to slide 30, "Covid Impacts," which provides some quotes related to the effects of the pandemic on the food supply chain; farmers were producing, but there were bottlenecks in the system. Policies put in place were challenging. The grocery store shelves in Alaska were empty. The issues of rising prices and food not being readily available are still factors. She mused at how creating an infrastructure and establishing policies five years ago would have improved the current situation.

8:37:55 AM

MS. SEITZ moved on to slide 31, which illustrates Alaska's dairy production. Recalling a previous question, she said while she does not have the exact number of herd shares in Alaska, she does have the 2017 agricultural farm census, which shows that there were 27 farms with milk cows, 39 farms with milk goats, and two grade A certified dairies. The inserted chart shows that Alaska needs 28 million pounds of milk to meet demand for a 90-day period; current production in Alaska for 90 days is 3.3 She said Alaska has a way to go, and any million pounds. increase in milk, butter, cheese, or other dairy product in the state will help the state become more self-reliant. As shown on slide 32, she advised that HB 22 would increase opportunities for value-added products, would promote expansion in dairy products, and would increase access to local foods. She said the herd share program would be an option and a chance for people to know their farmers. Further, it would allow for products to be available during slow times of liquid milk production and would give people who do not drink liquid milk an option for other dairy products [produced locally].

MS. SEITZ reviewed the points she had made, showed her contact information on slide 33, and offered to answer questions.

8:41:54 AM

MS. SEITZ, in response to Representative McCarty, said she could not give the exact numbers regarding how many acres and food is needed to supply food for animals, but did say that any time livestock numbers increase it does give animal feed producers the opportunity to increase their supply. She related that land is available for expansion. In response to follow-up questions, she confirmed that there are conservation reserve programs, which protect land. She stated, "Whether it's the discussion of capturing carbon or saving land for the future options of farming, ... I think until someone is ready to start production, conserving it is ... a good option." To the concern of whether there is sufficient land that can be made available and federal money being spent to pay farmers to sit on land, she responded that the concern she hears more about is good land being developed into housing.

8:46:01 AM

CO-CHAIR HANNAN suggested the farmers slated to testify could be asked about the availability of feed produced in Alaska.

8:46:39 AM

MS. SEITZ, in response to a question from Representative McCabe about illnesses associated with [consumption of products purchased through] herd shares, said other than one issue in 2010 or 2011, she is not aware of any others.

8:48:02 AM

MS. SEITZ, in response to a question from Representative Drummond about land west of Nenana recently made accessible by the construction of a bridge, confirmed that there is "a lot of excitement to see how it's going to come to fruition." It is currently raw land.

8:52:03 AM

AMY PETTIT, Executive Director, Alaska Farmland Trust, prefaced her portion of the shared PowerPoint presentation [slides 34-47] by taking an on-the-spot survey inquiring who had eaten locally and who had not eaten locally and then exclaiming, "Perfect,"

adding that "that's what we're doing this morning; HB 22 is all about access to local food." She brought attention to slide 36, which states that the Alaska Farmland Trust's mission is to protect agricultural land, promote the agricultural industry in many ways, and educate the public through hearings, social media, and radio storytelling.

8:55:01 AM

MS. PETTIT directed attention to slide 37 and emphasized the growth in agriculture in Alaska. Based on the aforementioned census, she related that from 2012 to 2017 the number of Alaska farms grew by 30 percent, which is counter to the national trend of a 3 percent decrease in the number of farms. As shown on slide 38, she said Alaska is leading the nation in new farms. She noted that 46 percent of Alaska farmers have less than 10 years of farming experience. As shown on slide 39, she reported that the number of small farms comprising one to nine acres is up 73 percent. She emphasized that farmers do not need a lot of space to grow food in Alaska. She noted that the proposed legislation would change a specific area of the industry but remarked that "a rising tide floats all boats" and indicated that HB 22 would pave the way for various size farms to "scale up" in size. As shown on slide 40, she stated that 47 percent of Alaska farmers are women, as compared to the national average of 27 percent. She further related that between 2012 and 2017, the value of food sold directly to consumers increased from \$2.2 million to \$4.5 million, as shown on slide 41. She asked members to consider what other industry saw that level of growth in five years. She moved on to slides 42 and 43, related the short title of HB 22, and said the bill is about access, barriers, developing economies, and removing expanding production.

MS. PETTIT expressed appreciation for Representative McCabe's effort to establish the safety of raw milk. She pointed out that when someone gets sick from eating food from a salad bar in a local restaurant, neither the restaurant nor the "salad bar industry" gets shut down for a decade, whereas the last time someone became ill from drinking raw milk was over one decade ago, and yet access to the product is still being restricted. Ms. Pettit said her language of love is cheese. She remarked it is absurd that she has cheese in her refrigerator from a farm in Oregon but cannot buy Ms. Crosby's cheese made in Alaska. She said HB 22 would remove restrictions and allow access to products. The final slides showed a pin design she said she would send to the bill sponsor to distribute to legislators,

some local color promoting Alaska grown food for the next generation, and Ms. Pettit's contact information.

9:02:37 AM

MS. PETTIT, in response to a question from Co-Chair Schrage, offered her understanding that there are raw milk products going over state lines.

9:03:24 AM

CO-CHAIR HANNAN opened public testimony on HB 22.

9:03:53 AM

MARLENE WENGER related that she and her husband have been farming in the Copper River Valley since 1985 and are involved in the Copper River Valley Bureau. She said they run a country store which carries as many Alaska products as possible. During the pandemic, the products they order from Costco were not available, but the local products were. She encouraged the support of agriculture and farmers in Alaska. Regarding the previous question about feed, Ms. Wenger said she and her husband raise their own hay, buy their grain from Delta, support Alaska Hay and Feed, and raise and sell beef and pork. expressed her support of legalizing all raw dairy products, even though she noted that she cannot sell it in her store. response to Representative McCabe, she confirmed that if she could sell it in her store, she would. In response to Co-Chair Schrage, she relayed that she and her husband run Wenger's Country Store.

9:06:54 AM

TERRY SNYDER testified in support of HB 22 as a consumer, not farmer. She talked about the importance of self-sufficiency in food productivity, made especially apparent by the pandemic. She admired that the bill is modeled after successful programs in other states that are using best practices. She asked the committee to pass HB 22 out of committee.

9:08:40 AM

CIANA THOMAS said she is a farmer by day and trucker by night. She said "we" move approximately \$10,000 in Delta grains through a transport co-operative to the Matanuska-Susitna ("Mat-Su") Valley every month. She said she has "a modest fiber and meat

block of sheep" but is still a herd share owner for winter milk with the goat dairies. She is also an inspector. To a previous query as to the possible benefit of selling to the public, she explained that would require that the government would have to step in as inspector. She said she does not oppose that, but would not want the result to be the elimination of herd shares, because the herd shares are a community activity. She pointed out that she can trust her herd master to handle her farm's liquid milk; she can take that liquid milk to a knowledgeable friend to make that milk into a value-added product; but currently she cannot ask her herd master to do so. She opined that that is silly, since the herd master has been a trusted part of the process, and further the herd master consumes the product and, thus, has a vested interest in keeping the product pure so no one would get sick from it. She said she would like to see the restriction [lifted] that is preventing the herd master from adding value to her product.

9:12:29 AM

LARAE SMITH related that she currently is a consumer and, having recently bought a farm, will soon be a producer. She emphasized her support of HB 22 for the benefits it would bring to the state and the country. She said she was previously in Idaho, which she indicated had less strict laws regarding raw dairy products, which allowed local farmers to supply people with food during the pandemic. She said she thinks [HB 22] would help local farmers, which would then benefit the local food supply source. She said she loves the idea of farmers being able to create products from their [liquid milk]. She echoed the idea shared by Ms. Thomas that the connection of the farmer to the food results in a vested interest in making sure the food is safe.

9:14:53 AM

MILENA SEVIGNY shared that her son is allergic to cow's milk, and she became a herd share member to have access to local fresh raw [goat] milk. She said she can visit the farm at any time. She said as an employee at a shipping company at the Port of Alaska, in Anchorage, she sees how quickly the state's food supply can get cut off. She characterized the state of the port's infrastructure as dire and said the port is a critical infrastructure by which a majority of food is imported in Alaska. She related that because of stronger winter storms, there has been an increase in delays in the arrival of shipped products. She indicated this is another reason, beside the

pandemic, that shelves in stores have been empty, and she encouraged support of any means by which to increase food security in Alaska and to make it easy for residents to have local food options.

9:17:27 AM

ARTHUR GRISWOLD, Golden Heart Dairy, said he runs a jersey dairy and produces milk to over 60 regular herd share customers who pay for membership as well as product. He said growth is faster than the dairy can produce milk to customers currently. He said, "We want to see this thing get straightened out, so we don't have to have these contracts with our customers to protect ourselves." Mr. Griswold called himself a peddler who wants no interference from the federal government in selling his product, which he said usually is cleaner than the "dead milk" people buy from Outside. In response to Co-Chair Hannan, he said 100 percent of his feed comes from Alaska.

9:21:50 AM

ASHLEY EBENAL, Owner, Little Patch of Heaven Farm, said her farm offers eggs, whole butchered chickens, pork boxes, fresh vegetables, and goat milk shares. She said she knows there is a small risk in allowing sales of raw milk products, but she remarked there is also a risk in allowing the sale of produce under the cottage food laws of Alaska, yet the state allows the sale of the produce. She said both grower and buyer are taught how to properly handle and wash produce. She said this is not a matter of whether it is safe but rather whether the government should be allowed "to decide for us." She said her customers would like to be able to buy product through the herd shares. She emphasized that farmers work tirelessly to provide fresh, healthy choices for Alaskans, and they want to be able to do it She said she knows Alaskans make educated legally and safely. decision and love their freedom, and she urged the committee to give people the choice to decide for themselves. She added that her farm uses almost all local feed for its livestock; all but the medicines/vaccinations for her goats is local. She said her hay comes from Delta. She said the state has "huge amounts of property set up for farming." She said the number of farms going up for sale are the result of farmers' inability to get their products to customers legally. She said HB 22 would allow the legal provision of products and encourage farmers to invest in land and scale up their operations.

9:24:36 AM

TARA LUCAS spoke about a dairy her husband's family had, with products sold in Petersburg until requirements became too restrictive. She indicated she and her husband enjoyed the health benefits of goats' milk when they had goats, and now would like to be able to buy it from someone. She stated concern about overregulation. She said she would like the opportunity to decide for herself.

9:27:54 AM

GINA JOHNSON testified in support of HB 22. She said she is able to buy local goat milk, but it has been pasteurized, and raw milk is more nutritious. She said goat milk is just one molecule different from human milk. She pointed out that babies drink their mother's milk without it being pasteurized. Not having to import a milk product would make it that much more nutritious, she said. She talked about keeping the money in state. In conclusion, she encouraged a "yes" vote on HB 22.

9:29:37 AM

CO-CHAIR HANNAN, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 22.

9:30:07 AM

REPRESENTATIVE MCCARTY asked whether passage of HB 22 would create any challenges for the Department of Environmental Conservation.

9:30:41 AM

ROBERT GERLACH, DVM, State Veterinarian, Office of the State Veterinarian, Division of Environmental Health, Department of Environmental Conservation (DEC), answered that the department has no regulations regarding herd shares; the state has required herd share operators to have a contract with their herd share owners. Part of the reason for that requirement was so that the herd share owners would know the producer and be able to evaluate the product by going to the farm. In response to a follow-up question, he clarified that HB 22 would not increase the DEC's work other than working with the Division of Public Health to do follow-up work in the event there was "an outbreak."

9:31:47 AM

CO-CHAIR HANNAN noted there is a zero fiscal note attached to HB 22.

9:32:06 AM

REPRESENTATIVE MCCABE asked Dr. Gerlach whether an amendment to HB 22 that would allow direct sale from a milk producing farm - whether cow or goat - without a contract or herd share program would impact DEC by requiring inspections, and therefore impact the fiscal note.

DR. GERLACH answered that that would potentially impact DEC's operation. He said it would depend on the regulations associated with the sale and distribution of raw milk. He explained that currently the state allows the sale and distribution of grade A milk, which provides background regulation for the safety of the product, the containers, and the handling and processing of the product through the commercial chain to the consumer, and the health of the animals. If raw milk was going to be under such a regulated process, then that would have an impact on DEC.

9:34:35 AM

CO-CHAIR HANNAN stated her intent to put HB 22 aside and hear it again later for amendments.

9:35:08 AM

REPRESENTATIVE TARR expressed excitement at the interest in HB 22 across the state expressed through public testimony.

9:35:25 AM

CO-CHAIR HANNAN announced that HB 22 was held over.

9:35:58 AM

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:36 a.m.